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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

DGR 2263

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992 Commission file number 0-12979

Bank of Gonzales Holding Company, Inc.
(Exact name of registrant as specified in its charter)

Louisiana	72-0124910
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P. O. Box 1089, Gonzales, LA	70707-1089
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code (504) 647-7571

Not Applicable
(Former name, former address, and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes (X) No ( )

The number of shares of each class of the Registrant's Common Stock outstanding as of March 31, 1992 was:

Class of Common Stock	No. of Shares Outstanding
Common Stock, No Par Value	440,000

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BANK OF GONZALES HOLDING COMPANY, INC.

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CONSOLIDATED BALANCE SHEETS

BANK OF GONZALES HOLDING COMPANY, INC. AND SUBSIDIARY

	(Unaudited) March 31, 1992	December 31, 1991
	(In thousands of dollars)	
ASSETS		
Cash and due from banks	$ 2,939	$ 3,357
Federal funds sold	7,188	5,981
CASH AND CASH EQUIVALENTS	10,127	9,338
Interest-bearing deposits in other banks	1,264	1,251
Investment securities (approximate market value of $30,752 at March 31, 1992 and $24,698 at December 31, 1991)	31,187	24,695
Loans	57,776	57,687
Less: Unearned income	(930)	(1,033)
Allowance for possible loan losses	(2,003)	(1,977)
NET LOANS	54,843	54,677
Bank premises and equipment, net	3,066	3,119
Other real estate	2,892	3,269
Accrued interest receivable	533	553
Other assets	351	634
TOTAL ASSETS	$104,263	$ 97,536
LIABILITIES		
Deposits		
Noninterest-bearing	$ 17,510	$ 16,808
Interest-bearing	81,848	76,391
TOTAL DEPOSITS	99,358	93,199
Accrued interest payable	225	228
Other liabilities	526	496
TOTAL LIABILITIES	100,109	93,923
SHAREHOLDERS' EQUITY		
Common stock, no par value - 10,000,000 shares authorized, 440,000 shares issued and outstanding at March 31, 1992 and December 31, 1991	12,400	12,400
Retained earnings (deficit)	(8,246)	(8,594)
Treasury stock, at cost (0 and 5,341 shares at March 31, 1992 and December 31, 1991, respectively)	-	(193)
TOTAL SHAREHOLDERS' EQUITY	4,154	3,613
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$104,263	$ 97,536

CONSOLIDATED STATEMENTS OF OPERATIONS - (Unaudited)

BANK OF GONZALES HOLDING COMPANY, INC. AND SUBSIDIARY

	Three Months Ended March 31,	
	1992	1991
	(In thousands of dollars, except per share data)	
Interest income		
Loans, including fees	$1,465	$1,745
Investment securities		
Taxable	411	237
Tax-exempt	74	127
Federal funds sold	67	98
Other	17	11
TOTAL INTEREST INCOME	2,034	2,218
Interest expense		
Deposits	886	1,232
Mortgage payable	-	8
Other	1	2
TOTAL INTEREST EXPENSE	887	1,242
NET INTEREST INCOME	1,147	976
Provision for possible loan losses	60	175
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN LOSSES	1,087	801
Other income		
Service charges on deposit accounts	236	219
Other service charges and fees	25	24
Investment securities gains	7	4
Other	21	26
TOTAL OTHER INCOME	289	273
Other expense		
Salaries and employee benefits	416	512
Net occupancy expense	93	98
Equipment expense	96	90
Net cost (income) from operation of other real estate	12	(7)
Other	246	217
TOTAL OTHER EXPENSE	863	910
Income before income taxes	513	164
Applicable federal income tax	-	-
NET INCOME	$ 513	$ 164
Net income per common share--based on weighted average number of shares outstanding (439,198 in 1992 and 435,138 in 1991)	$ 1.17	$ 0.38

CONSOLIDATED STATEMENTS OF CASH FLOWS - (Unaudited)

BANK OF GONZALES HOLDING COMPANY, INC. AND SUBSIDIARY

	Three Months Ended March 31, 1992	1991
	(In thousands of dollars)	
Cash flows from operating activities:		
Net income	$ 513	$ 164
Adjustments to reconcile net income to net cash provided by operating activities -		
Provision for possible loan losses	60	175
Provision for real estate losses	52	9
Depreciation and amortization	85	81
Net amortization (accretion) of investment securities	4	(21)
(Gain) on sales of investment securities	(7)	(4)
(Gain) on sales of other real estate	(34)	(8)
Interest recognized on restructured loans	(20)	(15)
Amortization of discounts on loans	(33)	(15)
(Gain) loss on sales of fixed assets	1	(1)
Decrease in interest receivable	20	77
Decrease in other assets	278	40
Decrease in interest payable	(3)	(8)
Increase in other liabilities	25	63
Net cash provided by operating activities	941	537
Cash flows from investing activities:		
Maturities of interest bearing deposits	383	297
Purchase of interest bearing deposits	(396)	(495)
Proceeds from sales of investment securities	3,791	8,357
Proceeds from maturities of investment securities	3,750	128
Purchase of investment securities	(14,030)	(10,632)
Proceeds from sales of other real estate	180	16
Decrease in loans	6	2,137
Collections on other real estate sales contracts	5	1
Proceeds from sales of equipment	-	1
Purchase of premises and equipment	(28)	(20)
Net cash (used) by investing activities	(6,339)	(210)
Cash flows from financing activities:		
Increase (decrease) in deposits	6,159	(2,289)
Sales of treasury stock	28	-
Repayment of notes payable	-	(18)
Net cash provided (used) by financing activities	6,187	(2,307)
Net increase (decrease) in cash and cash equivalents	789	(1,980)
Cash and cash equivalents, beginning of year	9,338	9,828
Cash and cash equivalents, end of quarter	$10,127	$ 7,848
Cash paid for income taxes	$ -	$ -
Cash paid for interest expenses	$ 890	$ 1,250
Other real estate acquired in satisfaction of loans	$ 190	$ 58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Unaudited)

BANK OF GONZALES HOLDING COMPANY, INC. AND SUBSIDIARY

(1) The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The December 31, 1991 balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes included in the Company's latest annual report on Form 10-K. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for interim periods. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full year ended December 31, 1992.

(2) On March 26, 1992, the Company's shareholders approved changing the $10 per share par value of the common stock to true no par value common stock. Amounts previously reported as "Common Stock" of $4,400,000 and "Surplus" of $8,000,000 are now included in the consolidated balance sheets in the caption "Common Stock".

(3) The Bank is a defendant in a lawsuit involving payment of a cashier's check with an allegedly forged endorsement. The Bank's attorney has advised management that an unfavorable outcome is likely. In connection with this suit, a liability of $45,000 has been recorded and charged to operations in the financial statements for 1991. No change has occurred since December 31, 1991 in the status of this contingency.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For a comprehensive review of financial condition and results of operations of Bank of Gonzales Holding Company, Inc. (the Company), this discussion and analysis should be reviewed along with the information and financial statements presented elsewhere in this report. The Company is a one-bank holding company whose sole subsidiary is Bank of Gonzales (the Bank).

FINANCIAL CONDITION

The Company's total assets increased during the first quarter of 1992 from $97,536,000 to $104,263,000, a $6,727,000 or 6.9% increase caused primarily by new deposits received by the Bank after the closing of local branches of a failed savings and loan institution. The majority of these funds were used to purchase investment securities which increased from $24,695,000 at December 31, 1991 to $31,187,000 at March 31, 1992, a $6,492,000 or 26.3% increase. Deposits at March 31, 1992 were $99,358,000, a $6,159,000 increase since year-end 1991.

Nonaccrual loans, which are loans on which interest recognition has been suspended until received because of doubts as to the borrowers' ability to repay principal or interest, were $753,000 at March 31, 1992 as compared to $626,000 at December 31, 1991. Problem loans are loans for which payments are presently current, but the borrowers are experiencing financial difficulties. Loans classified as problem loans totaled $6.7 million at March 31, 1992 as compared to $6.8 million at December 31, 1991. At March 31, 1992, nonaccrual, past due, and other loans to related parties who are experiencing financial difficulties totaled $96,000 compared to $246,000 at December 31, 1991.

The allowance for possible loan losses was $2.0 million at March 31, 1992 and December 31, 1991. This slight change is the result of provisioning $60,000 during the

first quarter of 1992, offset by net loan charge-offs of $34,000. It is management's opinion that the allowance for possible loan losses at March 31, 1992 is adequate.

Investment securities are a repository for funds in excess of those needed fo loan demand and deposit withdrawal and is adjusted as required. The difference between the book value and market value of investment securities represents the gain or loss the Company would incur if the securities were sold at that point in time. As of March 31, 1992, the Company's unrealized loss in investment securities is approximately $435,000, which consists of $214,000 in unrealized gains and $649,000 in unrealized losses. Gains realized in the quarter ended March 31, 1992 on sales proceeds of $3,791,000 were $7,000, which consists of $27,000 in realized gains and $20,000 in realized losses. Management expects the Company to hold the investment securities until maturity, at which time no gain or loss will be incurred. Investment securities increased $6.5 million or 26.3% during the three months ended March 31, 1992, due mainly to the Bank investing deposits received from former customers of a failed savings and loan.

As the Company's primary source of funds, aggregate deposits increased $6.2 million or 6.6% during the first three months of 1992. Noninterest-bearing deposits increased $702,000 or 4.2%, while interest-bearing deposits increased $5.5 million or 7.1%. For 1992, management expects the average level of deposits to be higher than the 1991 average of $93.2 million.

RESULTS OF OPERATIONS

The Company reported a net income of $513,000 or $1.17 per average share outstanding for the first three months of 1992, as compared to $164,000 or $0.38 per average share for the same time period in 1991, a $349,000 increase. This increase is attributed to improvements in these areas: (1) an increase in net interest income, (2) a decrease in the provision for possible loan losses, and (3) a decrease in salaries and employee benefits.

Net interest income is the Company's principal source of revenue and is measured by the difference between interest income earned on loans and investments and interest expense incurred on deposits and borrowings. The Company's net interest income for the first three months of 1992 increased by $171,000 as compared to the same period in 1991. This increase was caused by a drop in interest rates during the last half of 1991 coupled with the Bank being in a liability sensitive position within a one year time frame. Because of the liability sensitive gap, the Bank was able to reprice more of its interest-bearing liabilities sooner than its interest-earning assets.

The provision for loan losses which is charged to operations is based on the amount of the loan portfolio, the amount of net loan losses incurred, and management's estimation of potential future loan losses based on several factors including, but not limited to, current economic conditions, loan portfolio composition, nonaccrual loans, problem loans and prior loan loss experience. For the first quarter of 1992, the provision for loan losses was $60,000, compared to $175,000 for the same period in 1991. The allowance for possible loan losses at March 31, 1992 is 3.52% of total loans compared to 3.49% at December 31, 1991. Management will continue to provide an amount necessary to maintain the allowance for possible loan losses at a level considered adequate.

Noninterest income, which consists of service charges and fees on financial services and gains on investment securities, was $289,000 for the first three months of 1992, as compared to $273,000 for the same period in 1991. This increase is attributed to the increase in service charges on deposit accounts during the first quarter of 1992 of $17,000 as compared to the first quarter of 1991.

Noninterest expense for the first three months of 1992 decreased by $47,000 as compared to the same period in 1991. Salaries and employee benefits, the largest component of noninterest expense, decreased $96,000 for the first three months of 1992

as compared to 1991. This decrease is the result of continuing staff reductions in an attempt to reduce salary expense. All other noninterest expenses increased by $49,000 in the first quarter of 1992 as compared to the same period in 1991.

LIQUIDITY

The primary functions of asset/liability management are to assure adequate liquidity and maintain an appropriate balance between interest-earning assets and interest-bearing liabilities. Liquidity management involves the ability to meet cash flow requirements of customers who may be either depositors wanting to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs. The principal source of asset liquidity is marketable investment securities, particularly those with shorter maturities. Securities maturing in one year or less amounted to $1.3 million at March 31, 1992, representing 4.1% of the investment securities portfolio as compared to $4.7 million or 19.1% of the investment securities portfolio at December 31, 1991.

CAPITAL RESOURCES

Primary capital (shareholders' equity plus allowance for possible loan losses) as a percent of total assets plus allowance fo possible loan losses is one of the standard measures of capital adequacy used by bank regulators. The Company's primary capital-to-assets ratio increased from 5.62% at December 31, 1991 to 5.79% at March 31, 1992 as a result of net income of $513,000 for the first quarter of 1992, and sales of treasury stock for $28,000. The treasury stock was carried at a cost of $193,000 at December 31, 1991, and the sales resulted in retained earnings being charged during the first quarter of 1992 for $165,000.

In December 1986, the Board of Directors of the Bank consented to the issuance of an Order to Cease and Desist (the Order) issued by the Federal Deposit Insurance Cor-

poration (FDIC), effective March 2, 1987. The significant provisions of the Order were discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 1991.

At March 31, 1992, management of the Bank reports that it is in compliance with twelve of the fourteen provisions of the Order. The Company is in the FDIC's Capital Forbearance Program and a modification of the Order has placed the capital adequacy portion in abeyance as long as the capital forbearance participation continues.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Bank and Crawford A. Bishop, its former President, were named as defendants in a suit filed on October 3, 1978 in the 19th Judicial District Court, Parish of East Baton Rouge by Stevens Meat Company, Inc., a loan customer of the Bank, and certain of its affiliates. The plaintiffs allege breaches of fiduciary duties by the defendants in connection with defendants' acquisition of control and thereafter their conduct of the business and affairs of plaintiffs resulting in damages of $10,750,000. Some discovery and settlement negotiations have been conducted; however, this suit has remained dormant since 1987. Management believes that the outcome of this suit will have no material adverse effect upon its financial position.

The Bank is a defendant in a lawsuit involving payment of a cashier's check with an allegedly forged endorsement. The Bank's attorney has advised management that an unfavorable outcome is likely. In connection with this suit, a liability of $45,000 has been recorded and charged to operations in the financial statements for 1991.

Other legal proceedings involving the Bank are limited to proceedings arising from normal business activities, none of which are considered material.

Item 2. Changes in the Rights of the Company's Security Holders

On March 26, 1992, the Company's shareholders voted to amend the Articles of Incorporation to: (1) increase the authorized common shares to 10,000,000 and remove the par value, (2) authorize 10,000,000 shares of preferred stock, (3) create three classes of directors with staggered expiring terms, (4) require 75% or more common stockholder approval to remove any or all directors or to alter the classes of directors, (5) require two-thirds or more common stockholder approval to merge, dissolve, or sell substantially all of the Company's assets, (6) require a majority of shareholders to call a special meeting of shareholders, and (7) other miscellaneous provisions (see Exhibit 4).

Item 4. Submission of Matters to a Vote of Security Holders

Pursuant to a notice of meeting mailed March 10, 1992 accompanied by a proxy statement, the annual meeting of shareholders was held on March 26, 1992. Proxies for the annual meeting were solicited pursuant to Regulation 14A. There was no solicitation in opposition to management's nominees for the Board of Directors as listed in the Proxy Statement. All of the following nominees were duly nominated:

John P. Casey, Jr.
E. D. Dixon
D. Dale Gaudet
Roy Marchand, Jr.
C. Penrose St. Amant
Audrey B. Waggenspack
Chester J. Diez
Phillip A. Lewis, Jr.
Matthew G. McKay
Clifford J. Neese
Gayle P. Robert
Cynthia S. Stafford

The above named were elected as directors to serve until their successors are named and qualified.

In addition, at the March 26, 1992 annual meeting, the shareholders voted to amend the Company's Articles of Incorporation, with 338,997 shares voting for, 45,101 shares voting against, and 55,902 shares abstaining (see Item 2. and Exhibit 4).

No other matters were submitted to the shareholders for their consideration or vote at the annual meeting.

Item 6. Exhibits and Reports on Form 8-K

(a) Part II Exhibits:
Exhibit 4. Amended Articles of Incorporation.

(b) The Company has not filed any reports on Form 8-K during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BANK OF GONZALES HOLDING COMPANY, INC.

S/ D. Dale Gaudet
D. Dale Gaudet, President

Date 5/13/92

S/ Rachel P. Cherco
Rachel P. Cherco, Controller